



## STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

100 NORTH UNION STREET, SUITE 870  
MONTGOMERY, ALABAMA 36104

### MEMORANDUM

DATE: September 29, 2006

TO: All Interested Parties

FROM: Alva M. Lambert  
Executive Director 

SUBJECT: New Certificate of Need Application Fee and  
Monetary Threshold for Review

Section 22-21-271, Code of Alabama, 1975 and Rule 410-1-7-.06 of the Alabama *Certificate of Need Program Rules and Regulations* require that the maximum application fee be indexed for inflation along with the threshold for new institutional health services listed in 22-21-263, Code of Alabama, 1975 that became effective with the passage of Act 2003-331. The United States Department of Labor Consumer Price Index – All Urban Consumers Professional Medical Services (CPI) averaged an increase of 3.1% for the months of September 2005 through August 2006 (tables CUUR0000SEMC and CUUS0000SEMC).

The expenditure threshold for major medical equipment will be increased from \$2,208,800 to \$2,277,273; the new annual operating cost will be increased from \$883,520 to \$910,909; and any other capital expenditure by or on behalf of a healthcare facility or health maintenance organization will be increased from \$4,417,599 to \$4,554,545.

Based on a 3.1% increase in the CPI, the maximum Certificate of Need filing fee, effective October 1, 2006, will be increased from \$16,819 to \$17,340.

AML/JES/pcm